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FOR PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: DECL: 10/16/2019  
TAGS: [ETTC](#) [EZ](#) [KOMC](#)  
SUBJECT: BLUE LANTERN LEVEL 3: POST-LICENSE/PRE-SHIPMENT  
END-USE CHECK ON LICENSE 050183608

REF: STATE 089282

Classified By: POLITICAL-ECONOMIC COUNSELOR CHARLES O. BLAHA FOR REASON  
S 1.4(A), (B), AND (D)

¶1. (SBU) In response to reftel, Emboffs visited the offices of KINGFISHER, s.r.o. to establish the bona fides of the company. Mr. Martin Hoza, KINGFISHER's director, indicated that his company has operated exclusively within the arms trade for a decade, specializing in consignment for the last seven years. Hoza indicated that he is KINGFISHER's sole executive officer overseeing a Prague-based staff of 11 employees, a number Hoza said he would like to see grow significantly, though he did not elaborate on his future business plans. KINGFISHER does not have a business presence outside the Czech Republic, relying instead on bonded contractors and agents to handle such things as customs clearances, expediting, etc.

¶2. (SBU) Hoza claimed an experience-based readiness to handle international shipments of "any kind" of armaments, including major systems such as tanks. Though making it clear that he has a number of long-standing international partners, Hoza was repeatedly reluctant to provide specifics about his regular clientele. At the same time, he went to great lengths to assure us that he scrupulously avoids doing business involving "troublesome" countries (citing Congo as an example) or "risky" customers.

¶3. (SBU) While discussing the particulars of a previous shipment (in late 2007) involving the same seller and end-user as the consignment in question, Hoza relied upon a staff member, Jirina Fukova, to provide details and present documentation. However, Hoza himself appeared to be keenly aware of the regulations regarding the import of U.S.-origin defense articles and re-export restrictions, and also well versed in the myriad of national regulations and procedures governing the transit of armaments across continents. In the case of the earlier consignment -- and almost certainly in any future one to the same destination -- KINGFISHER never had physical possession of the shipment, which was handled from the port of entry in Germany through delivery in Bulgaria by a contracted freight forwarder.

¶4. (S/NF) Regarding any issues of concern about his being a "shady character," Hoza, unprompted, volunteered that he had recently been questioned by the Czech Security Intelligence Service (BIS). Hoza stated that he had emphasized to BIS that he and his company could not be held accountable for what an end-user does with a shipment after receiving it, and that KINGFISHER's and his own personal responsibility rests solely in ensuring that their segment of the transaction is handled in accordance with all applicable laws and regulations. Post is continuing to follow up, as appropriate, including with the Czech Government, on this

aspect of the case and will provide an additional assessment,  
if needed.  
Thompson-Jones